

Crude Oil



Crude oil inventories fell by 1.7 million barrels this past week as production gains failed to keep pace with an import decline and a large increase in crude inputs to refineries. The drop was slightly less than the expected decline of 1.8 million barrels. The 5-year average is a gain of 0.8 million. Inventories have worsened to 0.3% below last year and to 5.9% above the 5-year average. This was the first year over year crude inventory decline in 54 weeks.

Prices had declined to their lowest levels in months because of the European debt crisis and the weak outlook for world economic growth. Prices reversed course this week with a positive Greek confidence vote and the hope that the European debt crisis can be managed. Futures prices and spot prices rose by \$0.77 and \$0.10 for the week. Futures prices settled at \$97.53, \$17.11 (21.3%) higher than a year ago. Spot prices were at \$94.91, \$17.78 (23.1%) higher than last year. Prices are about \$50 (34%) below their 2008 peaks.

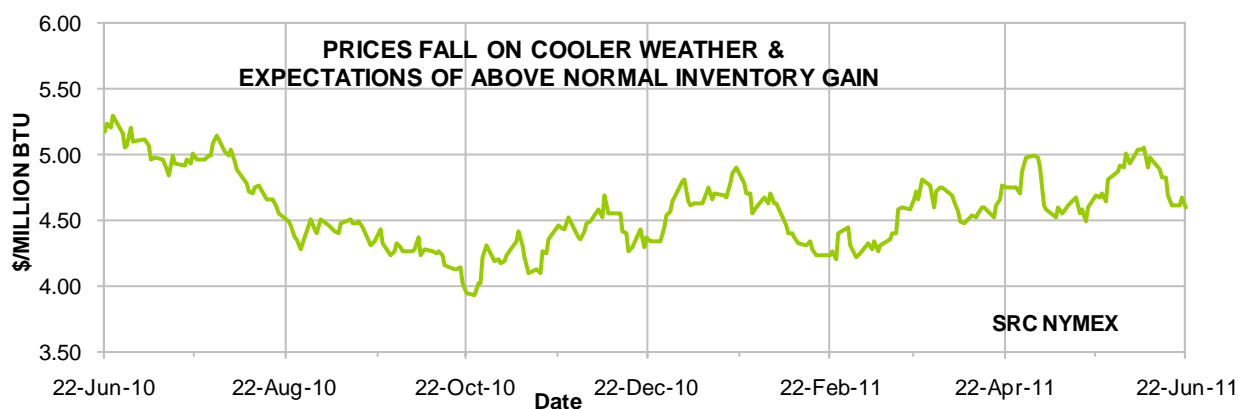


Natural gas



Natural gas inventories grew by 98 BCF this past week. This was 9% above the expected gain of 90 BCF, 15% above the 5-year average gain of 85 BCF, and 20% higher than last year's gain of 82 BCF. As a result, this week's 2,354 BCF inventory level improved to 9.9% below last year's level and to 2.6% below the 5-year average. Cumulative injections this year are running 19.3% below last year and 9.7% below the 5-year average.

Prices fell this week with more moderate weather and expectations for higher than normal storage injections. Futures prices fell by 23.2 cents, settling at \$4.599 per million BTU. This was 57 cents (11.0%) lower than a year ago and 65.5% below their 2008 peak. Spot prices fell by 12 cents. They settled at \$4.41 per million BTU, 45 cents (9.3%) lower than a year ago. Spot prices are 66.9% below their 2008 peak. According to census data, 31% of dwelling units in Connecticut heat with natural gas.

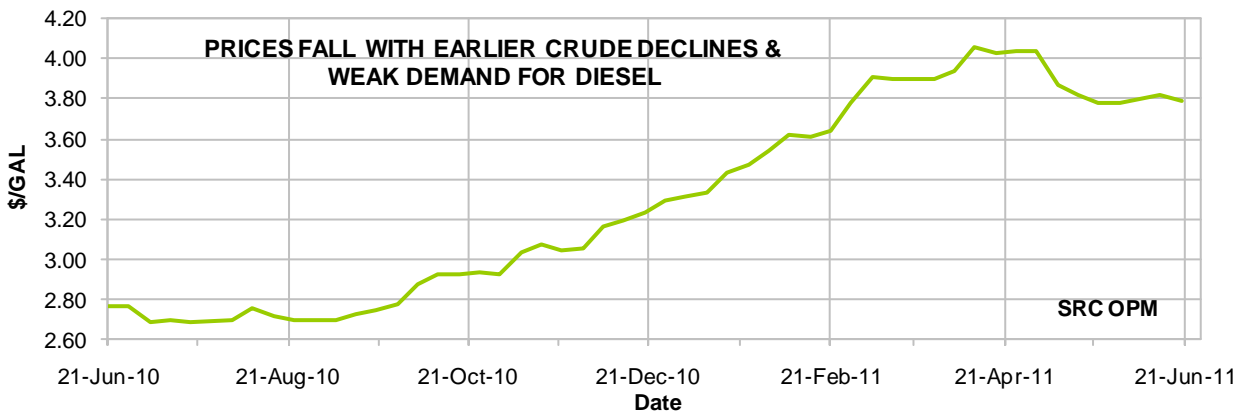


Heating oil



Inventories rose by 1.2 million barrels this past week as demand fell for the fourth straight week. The weekly increase was equal to the 5-year average and was more than twice the expected gain of 0.55 million barrels. Inventories are still at their third highest level ever for this date. At 5.4% above the five-year average they trail only 2009 and 2010.

Futures prices fell 2.1 cents this week and settled at \$3.021/gal, \$0.807 (36.5%) above last year but \$1.173 (28.0%) below 2008's peak. Spot prices fell by 6.8 cents. They settled at \$2.924/gal, \$0.825 (39.3%) above last year but \$1.156 (28.3%) below their 2008 peak. Retail prices fell by 3.3 cents this week after increasing by 4.1 cents over the previous 3 weeks. Prices are now at \$3.787/gal, \$1.019 (36.8%) above a year ago. Prices are \$0.980 (20.6%) below their 2008 peak. The highest price in this week's survey was \$4.449 and the lowest was \$3.299. According to census data, 49.1% of dwelling units in Connecticut heat with oil.



Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
21-Jun-10	2.928	3.399	2.540	2.770	3.199	2.399	2.730	2.880	2.560
6-Jun-11	3.870	4.299	3.440	3.836	4.399	3.349	3.680	3.810	3.400
13-Jun-11	3.916	4.449	3.540	3.818	4.399	3.399	3.700	3.870	3.460
20-Jun-11	3.870	4.449	3.590	3.818	4.299	3.299	3.663	3.760	3.370
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
21-Jun-10	2.711	2.779	2.589	2.812	2.899	2.690	2.679	2.849	2.509
6-Jun-11	3.797	3.899	3.599	3.889	4.099	3.690	3.729	3.899	3.549
13-Jun-11	3.813	3.899	3.599	3.929	4.049	3.799	3.768	3.899	3.589
20-Jun-11	3.785	3.899	3.599	3.864	3.999	3.690	3.739	3.899	3.539
	NEW HAVEN								
	AVG	HIGH	LOW						
21-Jun-10	2.689	2.999	2.359						
6-Jun-11	3.728	4.029	3.409						
13-Jun-11	3.762	4.049	3.459						
20-Jun-11	3.721	3.999	3.359						

OPM conducts a weekly survey of retail heating oil prices in Connecticut. These figures reference the most recent results of that survey for the reporting week beginning June 20, 2011. Figures reflect per gallon prices without discount.

For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

Propane



Weekly decreases in production and imports were more than offset by a decline in demand as inventories rose by 1.8 million barrels this week. Although this week's inventory growth was 40% greater than last year's gain of 1.3 million, it lagged the 5-year average weekly gain of 1.9 million barrels by 8%. As a result, inventories have improved to 18.7% less than last year and 17.4% below the 5-year average.

Spot propane prices rose by 0.2 cents/gal this past week and by 5.5 cents over the past 4 weeks. At \$1.542 per gallon, spot prices are 53.2 cents (52.7%) higher than a year ago but they are 22.1% lower than their peak 2008 price. The usual reporting of Connecticut retail propane heating prices has been discontinued for the season but will resume in October. According to census data, propane is used to heat 2.7% of homes in Connecticut.



Gasoline



Gasoline inventories fell by 0.5 million barrels this week after growing by 10.5 million over the previous 6 weeks. A weekly gain of 1.0 million had been expected and the 5-year average is a gain of 0.7 million. Although inventories levels are 1.4% below last year, they are 2.1% above the 5-year average.

Futures rose by 4.7 cents this past week reflecting the increase in crude prices. Spot prices fell by 2.1 cents reflecting weak demand. Futures are at \$2.847, \$0.753 (35.9%) higher than last year but \$0.764 (21.2%) below their 2008 peak. Spot prices fell to \$2.813/gal. They are \$0.736 (35.4%) higher than a year ago. Spot prices are 17.6% (\$0.599) below their 2008 peak. Connecticut retail prices fell 2.5 cents this week and by 29.0 cents over the past 6 weeks. At \$3.978, prices are \$1.092 (37.8%) higher than a year ago. Retail prices are 41.2 cents (9.4%) cents below their 2008 all time high of \$4.390.

